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Rev. C. C. T.
26/2/57

1955

File No. CIS 1055

RHABC DEPARTMENT

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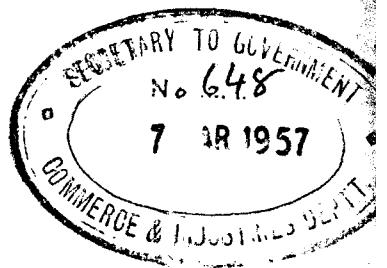
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B Class

Subject:—

Karnatak

Iron and Steel



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11/2/57

B Class

Karnatak

CIS 1055

File No.

Office of the Controller of Iron and Steel
and Cement, Bombay

Note on the meeting of the Priority Authority held at New Delhi, on Saturday, 29th January, in the Committee Room of the Ministry of Commerce and Industry, to consider allocations of Iron and Steel for Period II/1955.

The following are the allotments for the
Bombay State:

	<u>Tons</u>
Non-Agricultural	1,865
Government Development Schemes	3,064
Vaitarna Project	500
Community Project.	<u>45</u> 3,609

The following time-schedule was given:

Last date for receipt of particulars for issue of quota certificates.	5-3-1955.
Last date for issue of quota certificates.	18-3-1955.
Last date for booking of orders on Controlled Stockholders direct.	31-3-1955
Last date for receipt of orders for planting on Producers.	11-4-1955
Last date for receipt of demands for Period III/1955-	15-3-1955

The Secretary, Ministry of Commerce and Industry, presided over the meeting. Reviewing the position he remarked that the meetings were now becoming more or less routine as practically the whole quantity asked for by all the States were being released. He, however, observed that the position was gradually deteriorating and there was no longer any surplus. From the next quarter, therefore, it may become necessary to impose certain restrictions. The back-log with producers was equal to about a year's demands. The back-log in case of Sheets was even greater. He, therefore, advised all the States to exercise restraint on demands of Sheets and pointed that from next quarter, it may even become necessary to restrict the quantity of sheets to be

indented by each State. The reason for this position was, according to him, that whereas production remained the same, demand was going up.

He proposed to fight the situation by heavier ~~exp~~ imports. But here again the picture was not very bright. The easy supply-position abroad, which existed until recently, was vanishing and it was becoming more and more difficult to obtain supplies from even at higher prices.

He advised the States that in case of their urgent demands, they should resort to imports, and in such cases import licenses will be freely granted. He also advised them to send their demands in good time and not prop them up at the eleventh Hour. He hinted that from next quarter, Govt. of India may call for forward estimate for one year instead of one quarter.

The Iron and Steel Controller once again stressed the point, he made last time, of not blocking stocks with Stockists for long periods. He asked whether the States would agree to reduction in the time limit of ninety days after which materials went in for free-sale. Nobody agreed to this proposal but promised to consider individual cases and see that stocks were not blocked unnecessarily.

The Chairman had last time requested to mention sizes both in inches and in centimeters while indenting structurals to help place indents abroad. The Iron and Steel Controller distributed in the meeting tables of equivalent sections for the guidance of all the States. A copy is being enclosed herewith which may be circulated to all the officers concerned.

Steel Coordination Committee meeting of the Bombay State:

It is proposed to call this meeting on Monday, the 28th February 1955 at 11 A.M. to consider allotments to various departments, if the above date and time is convenient to the Secretary, P.W.D. Sir may please be confirmed early.

Sd/-
Controller of Iron and Steel and Cement.

Regarding the present supplies of quotas to industries, Chairman said, that they too could not be expected to be released in proper time and in sufficient quantity. The policy was, therefore, to allow liberal imports.

6. As there were several complaints about flourishing black market in iron and steel, the Chairman asked whether the States representatives were in favour of reimposition of controls. Although one or two were in favour of such a move, the large majority was against it as they felt that there was no sense in imposing controls when there was hardly any material to distribute. It only would put the Government in an embarrassing position.

7. Some representatives complained that although they got the allotments, there was no knowing as to when would the material actually come. As a result it was not possible to plan the works at all. As a result in the last meeting, the Iron and Steel Controller had said that to obviate this difficulty, he would pass on indents to Producers only when they were able to supply. On receipt of intimation of the indents having been planned, the consumer would know that the material would be coming in a month or so. He was, therefore, asked whether he was following this. The Iron and Steel Controller replied that there was no occasion to plan indents thereafter and that he would follow it in future.

It is proposed to convene the meeting of the Steel Coordination Committee on Thursday, the 22nd September, at 10.30 A.M., at the Committee room of the Sachivalaya, if the date and time is suitable to the Jt. Secy. This may please be confirmed early.

Sd/-

Controller of Iron and Steel and Cement.

U.O.R. No. 4292P dated 17-8-1955 to the Joint Secretary,
Rehabilitation, Housing and Backward Classes Department,
Sachivalaya, Bombay (1).

BSS.26/5

At today's meeting of the Steel Co-ordinating Committee the Controller of Iron, Steel, and Cement, stated that according to his information Tatas who are the main producers of iron and steel, were ^{completely} booked for a period of two years. It may not therefore, be possible for them to meet the demand of consumers for supplies against indents which are now being placed. J.S. therefore, enquired if this was the position, why the Government of India were making allocations for iron and steel by calling for forward estimates. The Controller said that this point was raised at the last meeting held in Delhi and it was pointed out that if Tatas were not in a position to meet the demands no useful purpose will be served by making paper allotments. Even as it is, the supply position from the producers was very unsatisfactory inasmuch as indents placed as far as two years' back are still pending. The J.S. therefore, felt that this question should be taken up with the Ministry of Iron and Steel and they may be requested to clarify as to how it is proposed to meet the demands of various State Governments for iron and steel for Government Development Schemes. A letter should accordingly be put up to the Ministry of Iron and Steel asking for elucidation on this point.

The J.S. also enquired as to how the various departments were meeting their demands if the producers had not supplied materials against their indents. Some of the officers pointed out that they used to tap the market and the Controller also

used to give special permits for certain categories. The Controller explained that he could issue special permits as the Mukund Iron and Steel Works had a special quota for C.C., sheets and from that he was able to get releases to the extent of 3,000 tons. But this will not be feasible now and unless the producers supply against the indents placed, the supply position of iron and steel will deteriorate. Joint Secretary also enquired whether it was possible to use any substitute material for the various works. The officers present pointed out that their requirements of iron and steel were the barest minimum. For instance, in the construction of bridges and buildings certain amount of iron and steel was absolutely necessary and it will not be possible for them to utilise any substitute material.

The question of import of steel was also considered. The Controller informed that the Government of India were prepared to give licences to the consumers for direct import of iron and steel and if any of the Departments wanted to import iron and steel it was free to do so. Joint Secretary said that if any import of iron and steel has to be done, it will have to be channelised through the Controller of Iron, Steel, and Cement. However, the main difficulty with regard to the imported material was the question of prices which will be charged. The prices of imported material will be 50% higher than the indigenous iron and steel. This will ultimately be reflected in the cost of works, the plans and estimates for which will have to be revised. This will upset all the targets of the First Five Year Plan and the provisions of the Second Five

IMMEDIATE.

No.CIS.1055/43981-G,
Rehabilitation, Housing and
Backward Classes Department,
Sachivalaya, Foreshore Road,
Bombay 1, 4 th October 1955.

From:

Shri N.M.Jani, M.A.,
Assistant Secretary to the Government of Bombay,
Rehabilitation, Housing and Backward Classes Department.

To

The Under Secretary to the Government of India,
Ministry of Commerce and Industry,
New Delhi.

Subject:- Allocations of Iron and Steel.

Sir,

I am directed to state that according to the Controller of Iron and Steel and Cement, Bombay, it has been brought to the Notice of this Government that Messrs. Tatas who are the main producers of Iron and Steel are completely booked for a period of two years, and it may not be possible for them to meet the demand of consumers for supplies against indents which are now being placed. If this report is correct it is not clear whether the present practice of making allocation of Iron and Steel by calling for forward estimates will have any practical utility. It is understood from the Controller of Iron and Steel and Cement, Bombay that this point was raised at the last meeting of the Priority Authority at Delhi and that it was pointed out that if Tatas were not in a position to meet the demands, these allotments will have only academic importance. Even as it is, the supply position from the producers is very unsatisfactory inasmuch as indents placed as far back as two years are still pending. If these allotments are to remain unattended, and the actual supplies are not guaranteed against the allotments within a reasonable period of time, it is feared that many of the important Government Schemes including those included in the Five Year Plan are likely to suffer a serious set back for want of steel. I am therefore to request you to inform this Government whether the position stated above is correct,....

and if so, how the Government of India propose to meet the demands of various Government Development Schemes against the allocations now being made. This Government feels that in view of the unsatisfactory supplies against the indent, some special measures will have to be taken to ensure that important development projects proceed according to the plans.

Yours faithfully,

Sd/-
(N.M.JANI.)

Assistant Secretary to the Government of Bombay,
Rehabilitation, Housing and Backward Classes Department.

YGS.

Office of the Controller of Iron and Steel
and Cement, Bombay.

Note on the meeting of the Priority Authority held at New Delhi on Monday, 16th May 1955, in the Committee Room of the Ministry of Commerce and Industry, to consider allocations of Iron and Steel for Period III/1955.

The following are the allotments for the Bombay State:-

	<u>Tons.</u>
Non-Agricultural	1,865
Government Development Schemes	3,707
Vaitarna Project	500
Community Project	220
	4,427

The following time schedule was given:

Last date for receipt of particulars for issue of quota certificates.	25-6-55
Last date for issue of Quota Certificates	10-7-55
Last date for booking of orders on controlled stockholders direct.	25-7-55
Last date for receipt of orders for planning on producers.	5-8-55
Last date for receipt of demands for Period IV/55.	5-7-55.

The meeting was presided over by Sri Jha, Joint Secretary, Ministry of Commerce and Industry. Reviewing the situation he made the following points:

The situation was critical. Materials were not available. Import prices have gone up and even at that prices material was not available abroad due to various reasons one of which was German Rearmament. However, recently the prices abroad were showing a little downward trend and if this continues probably our difficulties may be solved to some extent.

Indigenous production was not likely to go up. On the contrary it may go down due to expansion programme of Tatas. We had, therefore, mainly to depend upon imports to bridge the gap between demand and supply.

The present acute supply position of relaxed categories was then discussed. All the State Controllers unanimously voiced the seriousness of the situation. No steel was

available at fair prices in any of the States. Government works too along with Works in private sector were suffering. The Chairman then asked whether in view of this situation all the representatives felt that control in some form or the other should be reintroduced. All felt that that was necessary. The Chairman said that such a step would be retrograde as Government was aiming at gradual decontrol in all spheres. Government of India would, therefore, do so very reluctantly. He, therefore, advised the State Representatives to ask the Registered Stockists to Co-operate with State Authorities and agree to fair distribution of materials available and if that was feasible reimposition of control would not be necessary. It was then decided that State Controllers should call a meeting of all registered stockists in their States and ask them to co-operate in the distribution of material. If they did not succeed then Gov Government of India would consider reintroduction of controls.

Shri. Natesan, Iron and Steel Controller then opened another question regarding payment of advance to main Producers while placing indents. Many complaints were received he said from Registered Stockists that advances remained locked up for considerable time as releases were not quick. He proposed to avert such a situation by keeping the indents pending with him instead of passing on to the producers. He would pass on the indents only when the producers would be in a position to supply. The State Controllers would be kept informed about these releases of indents from his office. If the State Controllers found that a particular area or a stockist was not supplied for a long time he may suitably advise the Iron and Steel Controller when he may consider giving priority.

Steel Co-ordination Committee Meeting of the Bombay State: It is proposed to call this meeting on 20-6-1955 (Monday), to consider allotments to various Departments, if the above date and time is convenient to the Joint Secretary. This may please be confirmed early.....

early. In the mean-time necessary Government Resolution for formation of a Committee under the new Chairmanship may please be issued.

Sd/-

Controller of Iron and Steel and Cement,
B O M B A Y.

U.O.R.No. 2713F dated the 23rd May 1955.
to the Joint Secretary to the Government of Bombay,
Development Department (Backward Classes, Rehabilitation
and Housing), New Secretariat, Bombay.

Copy forwarded with compliments to the
Secretary to Government, Public Works Department

for information. It is presumed that the proposed
meeting of the Steel Co-ordinating Committee will
be held under the Development Department. Please
confirm.

YCS/18.5.

Office of the Controller of Iron
Steel and Cement, Bombay.

received by registered
stockholders in the Bombay State.
Enclosure: Government memorandum, Rehabilitation,
Housing and Backward Classes Department,
No. CIS-1055/69060-4 dated 10-6-1955.

Attention of Government is invited to this office
U.O.R.No.3501-F dated 7-7-1955, on the above subject.

The majority of the stockholders are inclined to
accept the proposal conveyed to them in this office letter
No. 3486-F dated 6th July 1955, both at Bombay and Ahmedabad.
At places other than Bombay and Ahmedabad, there is little
possibility of demand. As these are not supply centres,
it will be possible to meet all Government urgent demands
from Bombay and Ahmedabad. However, the same undertaking
will be taken from stockists of other places also so as
to bring them in line with the stockists of Bombay and
Ahmedabad.

A general meeting of all registered stockholders
in Bombay State is called at Bombay in the office of the
undersigned at 3 p.m. on Friday, the 22nd July, and it
is proposed to secure an undertaking from the stockholders
at that time in respect of bars, angles and flats, as
reported to Government in this office U.C.R. referred to
above. A copy of the draft undertaking is submitted
herewith for perusal of Government.

Sd/-
Controller of Iron & Steel & Cement.

U.O.R.No.3957F dated 20th July 1955 to Shri. J.Fernandes,
Assistant Secretary, Rehabilitation, Housing and Back-
ward Classes Department, Sachivalaya, Bombay.

Enc: Draft Undertaking.

YGS.25.5.

Steel Coordination Committee:
Composition of -

Government of Bombay,
Rehabilitation, Housing and Backward Classes Department,
Resolution No. CIS 1055,
New Secretariat, Pereshore Road,
Bombay 1, 8th June 1955.

RESOLUTION OF GOVERNMENT.

In modification of the orders contained in Government Resolution, Labour and Housing Department, No.576/46, dated the 5th April 1950, the Government of Bombay is pleased to direct that the composition of the Steel Coordination committee of the Bombay State should, with effect from the date of these orders, be as follows:-

The Joint Secretary to Government, Rehabilitation
Housing and Backward Classes
Department Chairman).

The representative of the Political and Services Department,
The representative of the Public Works Department,
The representative of the Local Self Government and Public
Health Department,
The representative of the Agriculture and Forests Department,
The representative of the Development Department,
The representative of the Education Department,
The representative of the State Road Transport Corporation,
The Milk Commissioner or his representative,
The Municipal Commissioner for Greater Bombay or his
representative,
The Representative of the Bombay Housing Board, Bombay,
The Controller of Iron and Steel and Cement, Bombay
(Secretary).

2. The Committee should meet ordinarily once every three months, as early as possible, after the meeting of steel Allocation Committee at New Delhi.

By order and in the name of the Governor of Bombay,

J.C.FERNANDEZ,
Under Secretary to the Government of Bombay,
Rehabilitation, Housing and Backward Classes Department.

To

The Public Works Department.
The Political and Services Department.
The Local Self Government and Public Health Department.
The Agriculture and Forests Department.
The Development Department.
The Education Department.
The Milk Commissioner, Bombay.
*The Housing Commissioner, Bombay Housing Board, Bombay.
*The Secretary, State Road Transport Corporation, Bombay.
*The Municipal Commissioner for Greater Bombay, Bombay
Municipal Corporation, Bombay.
The Controller of Iron and Steel and Cement, Bombay.

....

* by letter.

No. of 1955.

Copy forwarded for information and guidance to.